



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov

BETTY T. YEE
Acting Member
First District, San Francisco

BILL LEONARD
Second District, Sacramento/Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

March 30, 2006

TO: INTERESTED PARTIES

Enclosed is a copy of Current Legal Digest (CLD) number 2006-2 for your information and review. The annotations included in this CLD are new proposed annotations (underlined) and/or suggested revisions or deletion of existing annotations (indicated by ~~strikeout~~ and underline). After review, please submit any questions, comments, or suggestions for changes *in writing* by **Monday, May 1, 2006**. These may be sent by e-mail using the "Comments Form" on the Board's website (www.boe.ca.gov/proptaxes/cld.htm), fax or mail. Here is the mailing address:

Board of Equalization
Assessment Policy and Standards Division
ATTN: Annotation Coordinator
P. O Box 942879
Sacramento, CA 94279-0064

Please note, the new annotations and/or suggested revisions of existing annotations contained in the enclosed CLD are *drafts* and may not accurately reflect the Board's official position on certain issues nor reflect the language that will be used in the final annotation, if formally adopted.

CLDs are circulated for 30 days, at which time any questions are addressed and/or suggested modifications taken into consideration. After approval of the final version by the Board's Legal Department, they will be printed in Volume 3 of the Property Taxes Law Guide. At that time, the CLD becomes obsolete.

Copies of the backup correspondence are available by e-mail using the "Comments Form" on the Board's website (www.boe.ca.gov/proptaxes/cld.htm). If you have any questions, please contact Glenna Schultz at 916-324-5836.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG/grs
Enclosure

PROPERTY AND SPECIAL TAXES DEPARTMENT

PROPERTY TAXES CURRENT LEGAL DIGEST NO. 2006-2

March 30, 2006

170.0000 ASSESSMENT

170.0039 **Fixtures.** An item of personalty may be characterized as a fixture or as personal property depending on how that item is attached to the real property and the intent of the owner. If the appraiser classifies the item as a fixture, it becomes real property. As real property, assessors are required to establish a base year value upon a change in ownership or new construction. However, the assessment treatment of fixtures differs in three areas: (1) fixtures are a separate appraisal unit when measuring declines in value; (2) fixtures are treated differently than other real property for supplemental roll purposes; and (3) fixtures and personal property values are components in the value criterion for determination of a mandatory audit. Other than these three areas, fixtures are subject to the same constitutional, statutory, and regulatory provisions affecting the valuation and assessment of other real property. C 11/23/2005.

180.0000 ASSESSMENT APPEALS

180.0073 **Fixtures.** An item of personalty may be characterized as a fixture or as personal property depending on how that item is attached to the real property and the intent of the owner. If the appraiser classifies the item as a fixture, it becomes real property. As real property, assessors are required to establish a base year value upon a change in ownership or new construction. A base year value of fixtures may be appealed within 60 days of the notice of supplemental assessment. Alternatively, the base year value may be appealed during the regular filing period for the first year of enrollment on the current local roll, or during the regular filing period for any of the next three succeeding years.

If the real property and fixtures have been appraised and assessed together as a unit, an appeals board may adjust the values of property not under protest under Revenue and Taxation Code section 1610.8 as long as the property's base year value is still eligible for review. Conversely, if the real property and fixtures were separately assessed, an appeals board may not adjust the value of property not under protest or if the property's base year value is not eligible for review. C 11/23/2005.